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October 2, 2007

Delivered via E-Mail

Alberta Electric System Operator
2500, 330 – 5th Avenue SW
Calgary, Alberta T2P 0L4

Attention: Doug Simpson, Director Market Operations Market Services

Dear Doug:

Re: AltaGas's Comments on *AESO Congestion Management Plan*

AltaGas Ltd. ("AltaGas") is pleased to provide comments to the AESO on the Congestion Management Plan.

AltaGas supports the pro-rata curtailment of "upstream" generation and opposes implementation of a reverse merit order ("RMO") approach. A pro-rata approach is fair and functional. Furthermore, it is non-discriminatory since transmission system access is not denied or curtailed based on Participant offers in the energy market, as would occur using a RMO approach. Use of pro-rata curtailment also avoids the distortion of pool price that would occur using the RMO approach. Both current and prospective market Participants would be impacted by the price impact of "upstream" generators becoming price takers in order to avoid being constrained off when congestion occurs. Clearly, use of the energy merit order to assign transmission capacity during constraints is not justified, fair or effective.

AltaGas opposes the alternative that the offers of "downstream" generators dispatched out-of-merit determine the pool price. We recommend real-time price reconstitution using the energy merit order, allocation of a constrained down payment to dispatched down generators and acquisition of TMR services. These are more equitable and more economically efficient alternatives.

We recognize that there are instances when congestion occurs and steps are required in order to reduce flow. We encourage the AESO to continue its work to relieve constraints through transmission facility planning and construction. We would be pleased to discuss these comments with you in more depth at your convenience. I can be contacted by telephone at (403) 691-7137 or by e-mail at david.michaud@altagas.ca.

Yours truly,

AltaGas Ltd.

David Michaud

David Michaud
Senior Regulatory Analyst